

Item I. A.

DRAFT – SUBJECT TO REVIEW AND REVISION

USA NIAGARA DEVELOPMENT CORPORATION

Meeting of the Directors
Held at the USA Niagara Offices
222 First Street – 7th Floor
Niagara Falls, New York 14303

and

ESD New York City Regional Office
633 Third Avenue
New York, NY 10017

March 20, 2023

MINUTES

In Attendance Directors: Francine DelMonte – Chair
Scott M. Brydges
Dr. Chandra Foote

Present for USA Niagara: Yvonne Cooper – Acting Corporate Secretary
(via videoconference)
John Risio – Director of Admin. & Finance
Robert Sozanski – Sr. Project Manager, USAN
Anthony Vilardo – President

**Present for ESD
(via videoconference):** Tiffany Beale – Director, Subsidiary Finance
Julia Borukhov – Finance Project Manager
Eugene Kwiatkowski – Senior Director of Budgeting
Kathleen Mize – Deputy Chief Financial Officer and Controller

**Present for ESD Western
New York Regional Office:** Douglas Janese – Senior Counsel, Legal, WNY
Laura Magee – Deputy Director, Public Affairs, WNY
Paul Tronolone – VP, Policy & Planning, WNY

Also Present: Andrea Czopp – Chief Operating Officer – Destination Niagara
Jason Murgia – General Manager Niagara Falls Convention Center
(NFCC) & (OFS)

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Following the roll call and confirmation that a quorum was present; the meeting of the Directors of the USA Niagara Development Corporation ("USAN" or the "Corporation") was called to order at 1:00 p.m. by Chair DelMonte.

Chair DelMonte noted that the meeting is being webcast and the public had been given an opportunity to comment on the Agenda items by submitting their written comments by 4:30 p.m. on Tuesday and noted that no comments were received from the public.

Chair DelMonte also noted that the Directors received the relevant materials in advance to today's meeting and were free to ask questions and asked if anyone had any potential conflicts of interest with regard to any of the items on the Agenda and no conflicts were noted at this time.

Chair DelMonte then turned the meeting over to Anthony Vilardo, who noted that Director Michael Williamson tendered his resignation from the board after over ten years of service.

Mr. Vilardo then gave an update on a couple of projects. The first was the Request for Proposal "(RFP)" for properties along Second Street that is part of the Strategic Land Acquisition Program. He noted that there will be a pre-bid meeting on April 18th and proposals are due on May 15th.

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Mr. Vilardo also noted that the Directors approved a contract with POW for design of the Heritage Gateway Project and an RFP for the Niagara Falls City Market. On March 14th, a webinar was hosted and proposals for assistance with the City Market are due on April 27th.

The Chair then called for the approval of the Minutes of the January 26, 2023 Directors' meeting. There being no corrections noted, upon motion duly made and seconded, the following Resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE JANUARY 26, 2023 MEETING OF THE DIRECTORS OF THE USA NIAGARA DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on January 26, 2023 as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Corporation.

* * *

Chair DelMonte called on Mr. Vilardo to present the next item on the Agenda related to the approval of the Corporation's Operating Budget for fiscal year 2023-2024.

Mr. Vilardo explained that the Directors must adopt an annual operating and capital budget for the USA Niagara Development Corporation.

Mr. Vilardo noted that the Operating Budget proposes a total of \$634,579 in personal services, including salaries and benefits for 4.5 employees. He noted that its 4.5 employees because Robert Sozanski splits his time between our office and the Western New York Regional

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Office at ESD.

Mr. Vilardo further noted that there is a budget of \$127,578 for non-personal services consisting of office occupancy, insurance and other administrative expenses. The total budget for this fiscal year is \$762,157.

Mr. Vilardo noted that the Capital budget is \$74,094,760, and includes but is no limited to design and other soft costs, legal costs, insurance costs, demolition and site clearance, construction const and other miscellaneous expenses.

Following the full presentation, Chair DelMonte called for questions or comments from the Directors. Chair DelMonte asked, what is the percentage increase.

Mr. Risio stated that from last year the percentage increase is 15%, but that in other years it was higher.

Following the full presentation, the Chair called any questions or comments. Hearing none and noting that no comments were received from the public, upon motion duly made and seconded, the following Resolution was unanimously adopted:

USA NIAGARA DEVELOPMENT CORPORATION – FY 2023-24 Operating and Capital Budgets
– Approval of the Corporation’s FY 2023-24 Operating and Capital Budgets (April 1, 2023
– March 31, 2024)

RESOLVED, that based on the materials presented at this meeting and ordered filed with the

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Corporation (the "Materials"), the Corporation's proposed FY 2023-24 Operating and Capital Budgets are hereby approved and adopted in all respects, substantially in the form set forth in the materials and subject to the availability of funds; and be it further

RESOLVED, that the Corporation is hereby authorized to undertake tasks and incur expenditures consistent with advancing the scope of work contemplated in the proposed budgets, subject to the availability of funds; and be it further

RESOLVED, that the Directors shall make individual approvals and authorizations for items under the Capital Budget; and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to execute and deliver on behalf of the Corporation all documents, instruments and agreements that the President shall deem necessary and appropriate to carry out these resolutions; and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to take any action necessary and appropriate to carry out the foregoing.

* * *

Chair DelMonte called on Mr. Vilardo to present the next item on the Agenda related to the 2023-2024 Operating and Capital budgets for the Niagara Falls Conference and Convention Center and Old Falls Street projects.

Mr. Vilardo noted that Andrea Czopp, Chief Operating Officer at Destination Niagara and Jason Murgia the General Manager at Old Falls Street and the Niagara Falls Convention Center, were present.

Mr. Murgia explained that this is the first year in the history of the convention center, which opened in 2004, where a profit was achieved. The two reasons are one. The first is the event know as Dr. Joe brought in over \$1.3 million, which helped to offset the half a million lost in the first quarter of 2022 due to COVID.

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The second reason a good year was had is because Destination Niagara took control of the management rights to the Niagara Falls Convention Center. Mr. Murgia noted that there are three main reasons a quarter million dollars was saved in a year and they are: monthly management fees, payroll services and incentive fees that were being paid out, which saved roughly \$275,000 that was reinvested into the building.

Mr. Murgia noted that the convention center market and the special events market are the two segments in this industry that provide the highest economic return, doing roughly \$3.1 million in sales last year with \$2.4 million of that being specifically in the convention center market. That translated roughly into 31,660 room nights with an economic impact of over \$12.1 million dollars.

Mr. Murgia further noted that the economic impact was roughly 6.1 in 2017, 5.9 in 2018, and 8.6 in 2019.

Mr. Murgia noted that for 2023, they would be going back to the traditional pattern without Dr. Joe and invest heavily in the convention center and special event market because they provide the highest yield for economic impact in Downtown Niagara Falls.

Mr. Murgia further noted that it is believe that downtown is ready for a Convention Center market and that a citywide conference the size of Dr. Joe can be held. In 2018 our

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segment was roughly \$1.7 million in convention center market; 2019 it was \$2.2 million and in 2022 it was \$2.3 million.

Mr. Murgia noted that 50 to 60 percent of the revenue is derived in the year for the year, which poses challenges in the budget, but since January 1st of this year, there's already \$400,000 in new business and the year has started with more monies on the books than previous years.

Chair DelMonte asked, what was the profit made on the Dr. Joe event overall.

Mr. Murgia stated that it was \$ roughly \$8,000.

Mr. Vilardo proceeded to present the Niagara Falls Convention and Conference Center Operating and Capital Budgets explaining that the proposed 2023 Operating budget is \$274,792 and the Operating budget for Old Falls Street is \$699,773. The proposed Capital budget for the Niagara Falls Convention Center is \$525,435 and the Capital budget for Old Falls Street is \$115,500.

Mr. Vilardo noted that the Capital budget for Niagara Falls Convention Center include a building control system update of \$389,000 and emergency repairs for \$20,000. The Capital budget for Old Falls Street include a utility vehicle in the amount of \$23,500 and \$87,000 for holiday decorations.

To sum up, Mr. Vilardo stated that the Directors were being asked to approve USA Niagara's proposed calendar year 2023 Budget for the Niagara Falls Convention Center and Old Falls Street Operating and Capital budgets in an amount not to exceed \$1,000,500 and the first quarter of 2024's calendar year's budget not to exceed \$250,000.

Following the full presentation, Chair DelMonte called for questions or comments from the Directors. Hearing none and noting that no comments were received from the public, upon motion duly made and seconded, the following Resolution was unanimously adopted:

USA NIAGARA DEVELOPMENT CORPORATION – Niagara Falls Convention and Conference Facility Civic Project and Old Falls Street – Calendar Year ("CY") 2023 Operating and Capital Budgets – Approval of the CY 2023 Niagara Falls Convention and Conference Facility and Old Falls Street Operating and Capital Budgets; Approval of First Quarter 2024 Funding; and Authorization to Disburse Funds

RESOLVED, that based on the materials presented at this meeting and ordered filed with the Corporation (the "Materials"), the Corporation's proposed CY 2023 Niagara Falls Convention and Conference Facility and Old Falls Street Operating and Capital Budgets in a cumulative amount not to exceed \$1,500,000 are hereby approved, and adopted in all respects, substantially in the form set forth in the materials and subject to the availability of funds; and be it further

RESOLVED, the Corporation's proposal for first quarter 2024 (calendar quarter) funding for the Niagara Falls Convention and Conference Facility and Old Falls Street in an amount not to exceed \$250,000 is hereby approved, and adopted in all respects, substantially in the form set forth in the Materials and subject to the availability of funds; and be it further

RESOLVED, that the actions of the President or his designees relating to the CY 2023 Niagara Falls Convention and Conference Facility and Old Falls Street Operating and Capital Budgets be approved and ratified, and the same hereby are, authorized to disburse funds substantially in accordance with the CY 2023 Niagara Falls Convention and Conference Facility and Old Falls Street Operating and Capital Budgets with such changes as the President or his designee deems necessary or appropriate; and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to execute

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and deliver on behalf of the Corporation all documents, instruments and agreements that the President shall deem necessary and appropriate to carry out these resolutions; and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to take any action necessary and appropriate to carry out the foregoing.

* * *

Chair DelMonte called on Mr. Vilardo to present the next item on the Agenda related to the First Street Apartment Building Development project for the Directors' consideration.

Mr. Vilardo explained that the Directors are being asked to approve a preferred developer to undertake the First Street Apartment Building Development project in the City of Niagara Falls that involves the construction of a six-story mixed-use building located on the corner of First and Old Falls Street.

Mr. Vilardo further explained that the proposed facility will have approximately 78 apartments and 4,700 square-feet of commercial space occupied by the preferred developer. The units will consist of studio, one and two-bedroom apartments targeting households earning up to 50/60 percent or 80/90 percent of the area median income. The rents will range from \$822 to \$1,052 for one-bedroom apartments and \$987 to \$1,402 for two-bedroom apartments, which is in line with market rates in Downtown Niagara Falls.

Mr. Vilardo noted that a Request for Proposal ("RFP") was placed in the New York State Contract Reporter in September of 2021 and a selection committee consisting of various State agencies reviewed the responses against evaluation criteria measuring various aspects of each

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proposal. The committee determined that the proposal from Community Services for Every1 supported by their development partner, Edgemere Development best met the evaluation criteria as stated in the RFP, and was the best value option for purposes of constructing a building on the property called Parcel B.

Mr. Vilardo further noted a typographical error in the agenda and that the project estimated total is \$35.8 million.

Following the full presentation, Chair DelMonte called for questions or comments from the Directors. Hearing none and noting that no comments were received from the public regarding this item, upon motion duly made and seconded, the following Resolution was unanimously adopted:

USA NIAGARA DEVELOPMENT CORPORATION — First Street Apartment Building Development Project — Preferred Developer — Determination of Responsibility with Respect to CSE1 as the proposed Preferred Developer; Authorization to Designate CSE1 as the Preferred Developer to Undertake the First Street Apartment Building Development Project; and Authorization to Take All Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the USA Niagara Development Corporation (the “Corporation”), the Corporation hereby finds Community Service for Every1 (“CSE1”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to designate CSE1 as the Preferred Developer for the proposed First Street Apartment Building Development Project located on a portion of the First and Old Falls Streets Property (B Parcel); and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

Chair DelMonte then called on Mr. Vilardo to present the next item on the Agenda related to Memorandum of Understanding with the New York State Office of Parks, Recreation and History Preservation project for the Directors' consideration.

Mr. Vilardo explained that on February 9, 2023, the New York State Historic Preservation Office listed Schoellkopf Hall at DeVeaux Woods State Park on the State Register of Historic Places, which recognizes the historical and cultural significance of the project site and expand the available recreation and tourism.

Mr. Vilardo further explained that the scope of work will include abatement of all hazardous materials, installation of structural shoring to ensure the integrity of the compromised roof structures, installation of temporary roofs over compromised flat roof sections and additional miscellaneous associated items required to stabilize the structure and ensure safety for potential future work.

Mr. Vilardo noted that the funding source for the project will be provided through a sub-allocation of the New York State Budget Appropriation made available for projects located in Niagara Falls through the Regional Economic and Community Assistance Program in the fiscal year 2022-2023 Niagara and Buffalo Waterfront projects.

Mr. Vilardo further noted that funding is subject to availability of New York State funds

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and no Corporate USA Niagara funds will be used as part of this project. A Memorandum of Understanding ("MOU") will be entered into with State Parks

Following the full presentation, Chair DelMonte called for questions or comments from the Directors. Chair DelMonte asked, what are prospective uses for the building.

Mr. Vilardo stated that the vision is a boutique hotel or spa.

Chair DelMonte then called for any further questions or comments. Hearing none and noting that no comments were received from the public regarding this item, upon motion duly made and seconded, the following Resolution was unanimously adopted:

USA NIAGARA DEVELOPMENT CORPORATION – Schoellkopf Hall Stabilization Project – Memorandum of Understanding with the New York State Office of Parks, Recreation, and Historic Preservation – Authorization to Enter into a Memorandum of Understanding with the New York State Office of Parks, Recreation, and Historic Preservation ("OPRHP"); Authorization to Provide Funds to OPRHP; and Take All Related Actions

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to enter into a Memorandum of Understanding with the New York State Office of Parks, Recreation, and Historic Preservation ("OPRHP") and to provide funds to OPRHP for the purposes of advancing activities under the Schoellkopf Hall Stabilization Project, substantially on the terms and conditions set forth in the materials presented to this meeting, with such changes as the President and the Chief Executive Officer of the Corporation or his designee(s) may deem appropriate; including the funding of an amount not to exceed \$1,500,000, and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she in his or her discretion consider to be necessary to effectuate the foregoing resolutions.

* * *

There being no further business, the meeting was adjourned at 1:35 p.m.

Respectfully submitted,

Yvonne Cooper
Acting Corporate Secretary

Item II. A.



FOR CONSIDERATION

July 31, 2023

TO: The Directors

FROM: Anthony Vilardo

SUBJECT: Park View Site Development Project – Preferred Developer

REQUEST FOR: Determination of Responsibility with Respect to the Niagara Aquarium Foundation as the proposed Preferred Developer; Authorization to Designate the Niagara Aquarium Foundation as the Preferred Developer to Undertake the Park View Site Development Project; and Authorization to Take All Related Actions

I. Background

USA Niagara Development Corporation (“USAN”), a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), proposes the designation of a Preferred Developer to undertake the Park View Site Development Project (the “Project”) in downtown Niagara Falls.

The Project involves the redevelopment of a multi-lot property located at 535-579 Second Street (“the Property”) or (“the Site”). The redevelopment of the Property — a block from Niagara Falls State Park and the Niagara River Gorge — represents a unique opportunity to capitalize upon the continued revitalization of an iconic destination. The Project proposal includes up to 31,000 square feet of programmable space comprised of an outdoor play area, an Aquatic Habitat/Gallery, and a Natural Science exhibit that will interpret regional topics.

USAN acquired the Property in March 2019 through USAN’s strategic land acquisition program. The program was created to assemble long-dormant properties located near Niagara Falls State Park to remove blight from the downtown area and expand the density of uses as downtown Niagara Falls grows into a year-round, sustainable neighborhood and tourist destination. In 2023, USAN issued a Request for Proposals (“RFP”) for redevelopment of the Property.

II. Preferred Developer Selection Process

USAN advertised its RFP in the *New York State Contract Reporter* on March 14, 2023.

A Selection Committee consisting of representatives from USAN, ESD, Niagara Falls State Park and the City of Niagara Falls reviewed the responses to the RFP against evaluation criteria measuring various aspects of each proposal, including but not limited to: the proposed purchase price for the Property; the team's experience in undertaking similar projects; the quality of the Development Plan and the ability to complete the Project in the most expeditious manner; the quality/reasonableness of the financial plan; and the extent to which each team proactively undertakes diversity practices in its work.

The proposal from the Niagara Aquarium Foundation Inc. (a/k/a the Aquarium of Niagara or "AON") received the highest score from the Selection Committee and was determined to be the proposal that best met the evaluation criteria stated in the RFP.

AON's proposal includes a three-phased expansion featuring an interactive recreational component that encourages outdoor play, an Aquatic Habitat/Gallery, and a Natural Science exhibit that would interpret regional topics. The proposed development would extend AON's campus and build on current efforts to program New York State Parks' adjacent Niagara Gorge Discover Center.

In total, AON proposes approximately 31,000 square feet of exhibit, gallery and recreational space. The Project is estimated to cost approximately \$18.8 million for all three phases.

AON is a 501(c)(3) non-profit operator of the Aquarium of Niagara which hosts over 200,000 annually visitors and has completed or is working to complete \$13 million worth of rehabilitation and expansion projects at the Aquarium since 2018. The Aquarium also serves as the only provider of interactive educational programs and experiences that feature marine life and aquatic ecosystems in the region.

Following the designation of Preferred Developer, USAN and AON will promptly negotiate the principal terms and conditions of a Development Agreement. These terms and conditions as well as a General Project Plan would then be presented to the Directors for their approval. No binding agreement will be entered into until further approval is received by the USAN Board detailing the terms of the Project, including any proposed public commitment of funding.

III. Responsible Vendor Determination

Pursuant to State Finance Law Section 139-j and 139-k and ESD's policy related thereto, ESD/USAN staff have (a) considered the ability of AON to perform the services as set forth in these materials, and (b) consulted the list of offerers determined to be non-responsible bidders and debarred offerers maintained by the New York State Office of General Services.

Based on the foregoing, staff finds AON to be responsible.

IV. Non-Discrimination and Contractor & Supplier Diversity

ESD's Non-Discrimination and Contractor Supplier Diversity policy will apply to this initiative. The Developer shall be required to solicit and utilize MWBEs for any contractual opportunities

generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall combined MWBE Participation Goal of 30% related to the total value of ESD's funding. The aforementioned goal shall include Minority-owned Business Enterprise (MBE) Participation and Women-owned Business Enterprise (WBE) participation.

The Developer shall be required to solicit and utilize Service-Disabled Veteran-Owned Business for any contractual opportunities generated in connection with the project and shall be required to use Good Faith Efforts (pursuant to 9 CRR-NY GI 252) to achieve an SDVOB Participation Goal of 6% related to the total value of ESD's funding.

V. Environmental Review

ESD staff has determined that the action, which involves the designation of a preferred developer to allow for planning/due diligence activities to inform a future general project plan and development agreement, but which does not at this time commit USAN to undertake a specific project, constitutes a Type II action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with this designation.

VI. Requested Action

The Directors are requested to (1) make a determination of responsibility with respect to the proposed Preferred Developer; (2) authorization to designate AON as the Preferred Developer for the Park View Site Development Project; and (3) take all related actions.

VII. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

VIII. Attachments

Resolution

July 31, 2023

USA NIAGARA DEVELOPMENT CORPORATION – Park View Site Development Project — Preferred Developer — Determination of Responsibility with Respect to AON as the proposed Preferred Developer; Authorization to Designate AON as the Preferred Developer to Undertake the Park View Site Development Project; and Authorization to Take All Related Actions

BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the “Materials”), a copy of which is hereby ordered filed with the records of the USA Niagara Development Corporation (the “Corporation”), the Corporation hereby finds the Niagara Aquarium Foundation (“AON”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to designate AON as the Preferred Developer for the proposed Park View Site Development Project located at 535-579 Second Street in downtown Niagara Falls; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.
